



**TESTIMONY OF HARTFORD HEALTHCARE
SUBMITTED TO THE
INSURANCE AND REAL ESTATE COMMITTEE
TUESDAY, FEBRUARY 7, 2017**

**PROPOSED SB 23, An Act Requiring Site-Neutral Payments
for Health Care Services**

Hartford HealthCare (HHC) appreciates this opportunity to submit testimony concerning **Proposed SB 23, An Act Requiring Site-Neutral Payments for Health Care Services**. HHC opposes SB 23.

SB 23 would require payments for the provision of healthcare services by health insurers to healthcare providers to be site-neutral.

Our hospitals provide 24/7 access to care for all types of patients, to serve as a safety net provider for vulnerable populations, and to have the resources needed to respond to disasters. These roles are not funded explicitly; instead they are built into a hospital's overall cost structure and supported by revenues received from providing direct patient care. Hospitals are also subject to more comprehensive licensing, accreditation and regulatory requirements than other care settings.

SB 23 does not recognize this complex funding and regulatory scheme.

The Medicare program has set forth specific criteria to determine when the provision of that service is hospital-based and when it is simply a physician office service. When it meets the test to be hospital-based, the service is entitled to a higher level of Medicare funding, which is accorded in recognition of the fact that the hospital is a more expensive place to deliver care and is held to a higher regulatory standard.

SB 23 would result in decreased reimbursement at a time when Connecticut hospitals currently pay \$556 million in taxes, and are only appropriated approximately \$118 million - a budgeted deficit of \$438 million per year. Hospitals have made difficult choices to account for the resources lost due to government underfunding of the Medicaid program, the hospital tax, and other cuts. Over the last few years, 3,000 jobs were eliminated, services were reduced, and investments in technology and infrastructure were put on hold.

Thank you for your consideration of our opinion. For more information contact Kim Harrison at 860-263-4137.